

Four Corners Air Quality Task Force
Power Plant Work Group
Conference Call
November 29, 2006
4:00 pm – 5:00 pm

Participants

Mark Jones, NMED-AQB; Don Anderson, Citizen; Bev Warburton, Citizen; Mark McMillan, CDPHE; Carla Sontag, NMUSA; Jack Schuenemeyer, Southwest Statistical Consulting; Mike Farley, PNM; Maureen Gannon, PNM; Ted Orf, Orf and Orf

Purpose:

Main purpose of this call is to follow-up on our options & drafting teams that we discussed at Nov. 8 Farmington Mtg / to get people to start if they have not already done so drafting options for this round.

Agenda

1. Brief update on our 4CAQTF Nov. 8, 2006 Meeting in Farmington.
2. Timeline for this quarter (Deadlines)
3. Go Over Round 2 Mitigation Option Drafting Teams for Renewable Energy, Energy Efficiency & Conservation [one by one to make sure we are clear on the drafting teams]
4. Discuss Options further where necessary
5. Go Over Power Plant Work Group Mitigation Option Tracking Table
6. Ask for More Review of Draft Task Force Report
7. Next Call Notice

Brief update on our 4CAQTF Nov. 8, 2006 Meeting in Farmington.

- Last face-to-face meeting was Nov 8 in Farmington.
- We had a pretty good turnout (about 70 people).
- Notes from the Nov.8 Fmtn Meeting Power Plant Work Group Breakout Session available online, http://www.nmenv.state.nm.us/aqb/4C/Docs/4CPowerPlants_110806.pdf
- For most of the breakout session we had a joint brainstorm session with Other Sources Work Group, on Renewable Energy, Energy Efficiency & Conservation Options
- We brainstormed about 13 options together

Timeline for this quarter (Deadlines)

- Updated Timeline available on our 4CAQTF website, under Documents section: Work Group Timeline Nov. 8 Update, http://www.nmenv.state.nm.us/aqb/4C/Docs/WorkGroupTimeLine_110906Update.doc
- For this quarter in between our last face-to-face mtg in Farmington, Nov 8. and our next face-to-face Mtg in Durango Feb 7., there will be just one new revision to the Draft Task Force Report.
- The Timeline shows the Deadline for New Materials including Reviews & new Mitigation option papers will be DECEMBER 15, 2006. (so in about 2 weeks).
- I know it is the holidays and a lot is going on. SO, I'd like to see first drafts by the time of our next call in two weeks Wed. DECEMBER 13.
- The next version on the Report will be posted on our website JANUARY 10, 2007.

Round 2 Mitigation Option Drafting Teams for Renewable Energy, Energy Efficiency & Conservation [Go through one by one to make sure we are clear on the drafting teams & Discuss Options further where necessary]

Refer all participants to the new list of options (see below link & list)

http://www.nmenv.state.nm.us/aqb/4C/Docs/4CAQTF_PowerPlant_MitOps_Rd2_112706.pdf

1. Expand Renewable Portfolio Standards (RPS) to be Mandatory for Coops and Municipalities in Four Corners Area.

Rural coops wanted to protect customer rates. Expand to Coops/municipalities (not just investor owned utilities). Would need incentives. State production tax credit for capital costs for solar. There is a .01 production tax credit now—but that wouldn't bring costs down much. Also address Colorado. HM 49 (2004) and accompanying report looked at this.

Drafting Team: Maureen G., Mike F., Mike D'Antonio(lead), Mark M.

[Follow Up: Lead is actually Mike D'Antonio. Mike is working on the option & is aware of the Dec 15 Deadline. Mike will send option to Mark J. by Dec 15 for inclusion in next V.5 of report. Mark J to check in with Mike D'Antonio to see if he needs any help.]

2. Building Standards for Increased Commercial and Residential Energy Efficiency (EE)

"Energy 10" software developed by NREL to turn building specs into energy efficient. NM energy office has green building program—there are tools with EPA (energy star) available for use by consumers. The Leadership in Energy and Environmental Design (LEED) certification for buildings (can be costly). Even consideration of these standards would be helpful. Habitat for humanity could build energy efficient buildings.

Drafting Team: Stacey S.(lead), Wilson L., Beverley W.

[Follow-up: Bev asked for Wilson contact. Mark to help connect drafting team together. Mark & Bev to set-up call/e-mail discussion with Stacey to work on drafting options 2, 4, & 12, week of Dec 4]

3. Communicate Potential Cost Savings through Energy Bills.

Utility bill inserts to show savings if less electricity was used / Other utility bill additions to educate consumer?

Drafting Team: Jack S.(lead)

[Follow-up: Jack S. almost completed. He will send to Mark J week of Dec 4.]

4. Corporate Rebate/Incentives for Energy Efficiency

e.g., free electric mowers in exchange for gas mowers, Trade in small engines to convert to electric, insulation retrofitting.

Drafting Team: Stacey S.(lead), Wilson, Bev (include in #2?)

[Follow-up: Bev planning to work with Stacey. Bev asked for Wilson contact. Mark to help connect drafting team together. Mark & Bev to set-up call/e-mail discussion with Stacey to work on drafting options 2, 4, & 12, week of Dec 4]

5. Subsidization of Land Required to Develop Renewable Energy – e.g. Solar, wind

Private property prices for project development? Subsidization of land. Would need 5 acres per MW for solar. Would this be a project for BLM land? A: leasing for that use could happen. Mitigation here would be how to reduce barriers. Q: has NN thought of renewables? A: tribe has been interested in studying renewable resources out there. 2 wind projects being considered on AZ side.

Drafting Team: Mark J, Nathan P?, Karl, NN?

[Mark J. to do outreach & put together a drafting team ASAP]

6. Clean Coal Technology Incentives

Clean coal technology incentives would help maintain the economic viability of area. Feasibility studies, cost recovery, like in Colorado. DOE has incentive program.

Drafting Team: Isabella J.(lead)

[Mark J to try to contact Isabella. Jack S to work with Mark J on option in interim. May be postponed to next round]

7. Four Corners States Adopt California Standards for Purchase of Clean Imported Energy

Drafting Teams: Don A. (lead), Marilyn B.

[Mark J to connect Don A. and Marilyn B.]

8. Other Four Corners States Follow New Mexico Lead on Energy Efforts (Renewable Energy Tax Credits, Net Metering, & Renewable Portfolio Standards)

Ie, Colorado had amendment 37. Tax credits for renewable energy. Where are UT and AZ wrt. Renewable energy policy?

Drafting Team: Kelly P.(lead) [Mark J. to Follow-up with Kelly P. on status & connect Kelly with Mark M & NMEMNRD]

9. Use Distributed Energy /Off-grid

Drafting Teams: Marilyn B.(lead)

[Give Marilyn heads up]

10. Pilot Neighborhood project to Change Behavior to Reduce Energy Use – Increase Efficiency

Drafting Teams: Gordon G. (lead), Mark J.

[Mark J to contact Gordon G and draft option together]

11. Energy Cost Restructure (Time of Day, Amount)

What about water structure—where usage over a certain amount is charged a higher rate. Increase rates for increase usage, decrease rates for decreased usage – time of day cost fluctuations

Drafting Team: Marilyn B.(lead), Gordon G., Maureen G.,

[Mark J link together drafting team]

12. Volunteers do Home Audits for Energy Efficiency

Audits of low income areas to find simple solutions. Farmington had “make a difference day” at college, where they went to 10 homes with weatherization checklist. Could utilities promote this? In Colorado, volunteers of America do this after a 5-hr training.

Drafting Team: Stacey S(lead), Mark J.

[Mark J to contact Stacey S.]

13. County Planning Promotion of High Density City Living as Opposed to Dispersed Homes throughout the County. Thus reducing distribution losses of power and reduced travel

Drafting Team: Ted M., team TBD

[Mark J follow-up with Ted]

14. Promote Solar Electrical Energy Production with Feedback to the Grid.

If it could be worked out, it would be a benefit.

Drafting Team: Ted M., team TBD

[Mark J to follow-up with Ted]

15. Renewable Energy Credits

Energy Efficiency/Renewable Energy Credits

Description: EE/RE Credits --- Colorado is presently reviewing the use of energy efficiency and renewable energy as part of environmental permitting process for stationary sources. In principle, facilities implementing activities that lead to energy efficiency and rely upon renewable energy can receive additional incentives/flexibility in their State air quality permits. This might be a model that could be applied to other facilities in the Four Corners area

Drafting Team: Mark M.(lead), Mark J.

[Mark J to ask Louise M. for breakout session presentation on NM’s EERE Programs & forward to Mark M., Mark M to contact Colorado Energy Conservation Dept. for information and work on option together]

16. Net Metering for Four Corners Area, Drafting Team: Mark J & Others

[Mark J to follow-up with local area residents & utility]

17. Energy Conservation by Energy Utility Customers

This option would require all generators of power (renewable and non-renewable sources) in the Four Corners area to develop a program which causes their customer base to reduce per capita power usage each year for five years until an agreed upon endpoint is reached. The owners of all facilities that generate power, irrespective of how it is generated, should be required to develop or participate in a program which encourages their customer base to reduce per capita, per household, per production unit (or whatever other measure is equivalent for non-residential customers) use of power each year for five years until some reasonably aggressive endpoint is reached. The percent annual reduction would be 20% of the difference between the baseline usage and the five year goal.

Drafting Team: Marilyn B.(lead)*Already Drafted in Draft Task Force Report 4., comments welcome

18. Outreach Campaign for Conservation & Wise Use of Energy

Conservation/outreach—why aren't we looking at this more? Energy efficiency is more desirable – “conservation” implies personal sacrifice. Could option be public outreach campaign around conservation? Canada tried this—people really don't sacrifice unless there's \$ incentive. NM does have a public campaign—benefits of conserving energy, because behavior is crucial for wise use of energy. That office would like to work on this in 4C area. Promotion of college energy programs (local colleges). Maybe utilities can do campaign—where they tell consumers how much \$ a reduction of KW hours would be.

- Outreach
- Promote expansion of programs at local colleges
- raising consciousness
- education of primary school students

Drafting Team: Sug (lead), Mark J., Jack S.

[Sug drafted an overview, Mark to send to Jack, and all three follow-up to integrate into a mitigation option paper or split into 3 separate papers]

*make sure you use the mitigation option outline when drafting mitigation options for the report

Go Over Power Plant Work Group Mitigation Option Tracking Table

- New Mitigation Option Tracking table posted on Power Plant Work Group Page, http://www.nmenv.state.nm.us/aqb/4C/powerplant_workgroup.html, under 'Working Documents.'
- Tracking table lists all mitigation options that have been brainstormed & status.
- Reviewed Status and Action on 4 options in Draft Task Force Report [V. 4] TOC that are not yet written; Drafting teams already assigned to draft all 4 options. (see Power Plant Mitigation Option Tracking Table)

Ask for More Review of Draft Task Force Report

Deadline for Review to go into V.5, Jan 10, 2007 Draft Task Force Report is Dec 15, 2006. Please see and follow REVIEW GUIDELINES: http://www.nmenv.state.nm.us/aqb/4C/Documents/Review_Guidelines_updated0806.pdf

Action Items

- Forward Mike Farley's draft Mercury Control Retrofit Mitigation Options paper to Mark McMillian. Drafting team: Mark M, Mark J, Mike F, follow up option and submit draft for next version of Report [V.5, Jan 10, 2007]
- Follow-up on Round 2 Drafting Teams & Clean-up options. See Action items under each Round 2 Option.
- Please send review comments Expansion paragraphs / Disagreeing Opinions to work group coordinators. Deadline for inclusion of comments in this round is Friday December 15, 2006.

Misc. issue

Ft. Lewis College – Mountain Studies Institute

-They are putting together a framework for a Mercury Advisory Committee & Mercury Monitoring program in the 4C area. Koren, their leader, is looking for input from the Task Force. And it may be that some of our task force members participate in the committee after our Report is finished. Let me know if you are interested in this. Link added at bottom of our PPWG page

- Don Anderson, Marilyn Brown both expressed interested in MAC

Proposed Air Quality Regulations

Greenhouse Gases Reporting/Registry. The first meeting for the GHG reporting and registry program stakeholder process will be held on Thursday, December 7, 2006, at the State Personnel Office Auditorium, 2600 Cerrillos Road, Santa Fe. As part of the State of New Mexico's initiative to address climate change, the Environment Department is considering the development of greenhouse gas (GHG) reporting and registry programs.

http://www.nmenv.state.nm.us/aqb/prop_regs.html

Next

- Next Conference Call Meeting Dec 13, 4 PM (MST)
- Next face-to-face meeting in Durango, CO on Feb. 7, 2007 at Ft. Lewis College from 1-6 PM.